



August 28, 2025

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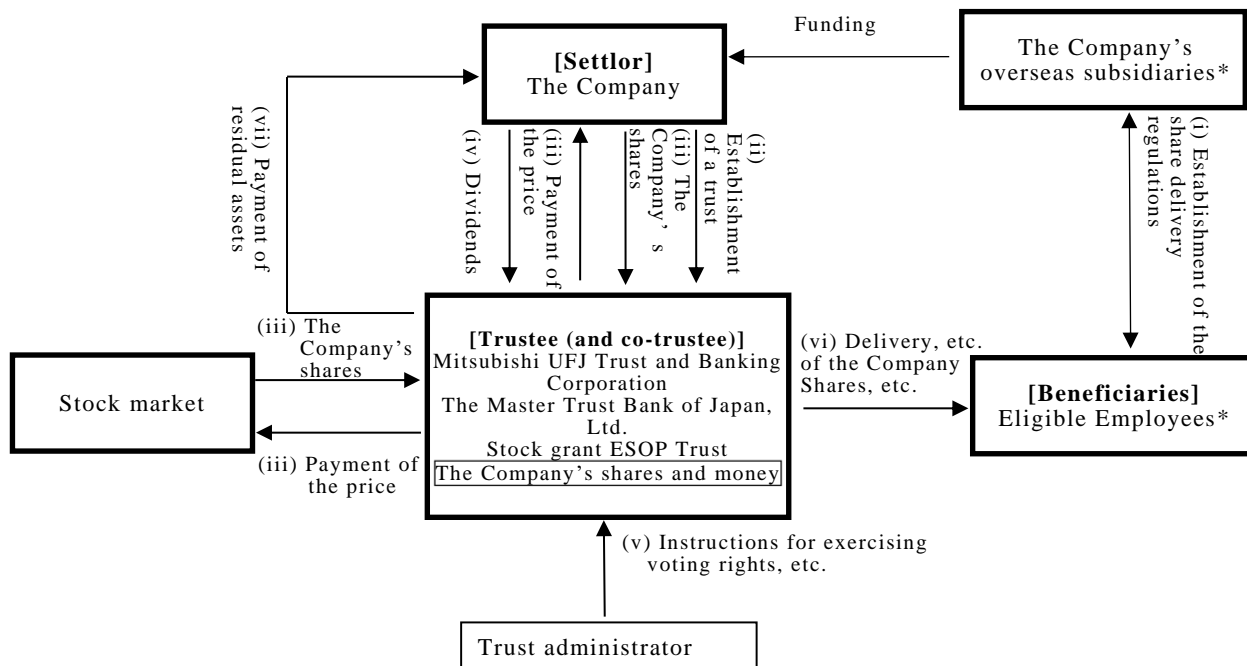
Notice Regarding the Introduction of a Stock Grant ESOP Trust

Socionext Inc. (the “Company”) hereby provides a notification to the effect that a resolution was passed at the meeting of the Board of Directors held today to introduce an employee incentive plan in the form of a “Stock grant ESOP trust” (hereinafter referred to as the “Plan”) for certain employees of the Company’s overseas subsidiaries (hereinafter referred to as the “Eligible Employees”).

1. Introduction of the Plan

- (1) The Company will introduce the Plan with the aim of securing excellent human resources and retaining employees, initially for certain employees of the Company’s U.S. subsidiary among the Company’s overseas subsidiaries.
- (2) The Employee Stock Ownership Plan (ESOP) trust (hereinafter referred to as the “ESOP Trust”) is an employee incentive plan based on the ESOP scheme in the United States. Under this plan, the Company’s shares acquired by the trust and monetary amounts equivalent to the conversion value of the Company’s shares (hereinafter, the “Company Shares, etc.”) are to be delivered and paid (hereinafter, the “Delivery, etc.”) by the ESOP Trust to the Eligible Employees who satisfy certain requirements, in accordance with predetermined share delivery regulations. The funds to acquire the Company’s shares which are to be delivered by the ESOP Trust to the Eligible Employees will be borne entirely by the Company’s overseas subsidiaries. As such, there will be no burden shouldered by the Eligible Employees.
- (3) The introduction of the Plan is expected to enhance the motivation of the Eligible Employees as well as to encourage the Eligible Employees to take the stock price into consideration when performing their duties, since the individuals in question will be able to receive economic benefits from increases in the Company’s stock price. Furthermore, through the exercise of voting rights pertaining to the Company shares which are classified as trust assets of the ESOP Trust, the Plan offers a mechanism that reflects the intentions of the Eligible Employees (who are potential beneficiaries) and will be effective as a corporate value enhancement plan that encourages the participation of the Eligible Employees when it comes to the management of the Company.

2. Scheme of the Plan



* For the time being, the Plan will be implemented for a limited number of employees in the Company's U.S. subsidiary among the Company's overseas subsidiaries.

- (i) The Company's overseas subsidiaries will establish the share delivery regulations at the time of the introduction of the Plan.
- (ii) The Company will set up the ESOP Trust with cash and have the Eligible Employees set up as beneficiaries.
- (iii) The ESOP Trust shall, in accordance with the instructions of the trust administrator, acquire from the Company (by means of the disposal of treasury shares) or the stock market the number of the Company's shares expected to be delivered to the beneficiaries during the trust period, using the money contributed in step (ii) above as the source of funds.
- (iv) The ESOP Trust will receive distributed dividends as a shareholder of the Company.
- (v) Throughout the trust period, the trust administrator gives instructions for the exercise of voting rights as a shareholder, and the ESOP Trust will exercise its rights in accordance with the instructions.
- (vi) In accordance with the share delivery regulations established by the Company's overseas subsidiaries, the Company Shares, etc. will be used for the Delivery, etc. to the Eligible Employees who satisfy certain requirements.
- (vii) Upon liquidation taking place due to the termination of the ESOP Trust, any residual assets remaining after the Delivery, etc. of the Company Shares, etc. to the beneficiaries will belong to the Company (as the vested right holder), with the exception of the portion that exceeds the trust reserve amount.

* If there are no longer any of the Company's shares remaining in the ESOP Trust due to the Delivery, etc. of the Company Shares, etc. to the Eligible Employees, the ESOP Trust will be terminated before the expiration of the trust period. However, the Company may contribute additional monies to the ESOP Trust as funds for the acquisition of the Company shares so that the ESOP Trust can additionally acquire the Company shares. In addition, the Company's overseas subsidiaries will contribute an amount of money equivalent to the funds used for the acquisition of the Company shares.

<Reference> Details of the Trust Agreement

(1)	Type of trust	Trust of money other than specified individually operated money trust (third-party beneficiary trust)
(2)	Purpose of trust	To grant incentives to the Eligible Employees
(3)	Settlor	The Company
(4)	Trustee(s)	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	Eligible Employees
(6)	Trust administrator	Third party with no interests with the Company
(7)	Trust agreement date	September 16, 2025 (to be confirmed)
(8)	Trust period	From September 16, 2025, to September 30, 2028 (to be confirmed)
(9)	Date of the Plan commencement	September 30, 2025 (to be confirmed)
(10)	Exercise of voting rights	The trustee exercises voting rights over the Company's shares in accordance with the instructions of the trust administrator, which reflect the intentions of the potential beneficiaries.
(11)	Class of shares to be acquired	Common stock of the Company
(12)	Total amount of shares acquired	1,999,953,800 yen
(13)	Date of acquisition of shares	September 19, 2025
(14)	Method of acquisition of shares	Acquisition from the Company (disposition of treasury shares) or the stock market